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Since June 1, 2002, the Florida Retirement System has offered two primary retirement plan options — the FRS Pension Plan — a defined benefit plan administered under Part I of Chapter 121, Florida Statutes — and the FRS Investment Plan¹ — a defined contribution plan created under Part II of Chapter 121, Florida Statutes. While both plans are funded by employer and employee contributions, the Division of Retirement does not administer laws governing Investment Plan benefits except for the disability and in-line-of-duty death benefits. Non-duty survivor benefits differ substantially under these plans, and the division is not responsible for payment of non-duty survivor benefits available under the Investment Plan². Please note that, unless specifically stated otherwise, the survivor benefits described in this chapter apply to FRS Pension Plan members only.

¹ This plan was established by law as the Public Employee Optional Retirement Program.

² The division does, however, administer payments that may be made to surviving beneficiaries of these members under the Retiree Health Insurance Subsidy Program (see Page 11-17), as well as survivor benefits that may be payable to survivors of Investment Plan members killed in the line of duty or disabled Investment Plan members who elect to return to the FRS Pension Plan and receive survivor or disability benefits (see Chapter 10, Part XII).

Coverage

The FRS Pension Plan provides survivor benefits under certain circumstances for eligible beneficiaries or joint annuitants upon a member's death. The kind of benefit provided will depend on the member's status under the plan at the time of death. As described in this chapter, survivor benefits may be available for the eligible beneficiary or beneficiaries of:

- A non-vested member;
- A vested member;
- A member who dies in the line of duty;
- A DROP participant, depending upon the option chosen by the member when DROP participation began; or
- A retired member, depending upon the option chosen by the member at retirement.

FRS Pension Plan – Death Notice

Because a beneficiary or joint annuitant may be entitled to receive certain benefits under the plan upon a member's death, it is very important that the Division of Retirement be notified of any member's death as soon as possible. You may call the division toll-free at 844-377-1888 or 850-907-6500.

FRS Investment Plan – Death Notice

In the event of the death of an FRS Investment Plan participant, the participant's named beneficiary or beneficiaries may be eligible to receive retirement benefits in accordance with the distribution option(s) offered by the participant's investment providers under the Investment Plan, as administered by the third party administrator, Alight Solutions for non-duty deaths or from the Pension Plan for Investment Plan members killed in the line of duty. Certain beneficiaries of Investment Plan members may also be eligible for the Health Insurance Subsidy (HIS), administered by the division as described in Part V. Alight Solutions should be notified of the death of an Investment Plan participant at 866-446-9377, and Alight Solutions will notify the division. (See Chapter 9, Part XV, for more about the FRS Investment Plan.)

I. DESIGNATION/CHANGE OF BENEFICIARY OR JOINT ANNUITANT

It is very important for every active and retired FRS member to name a beneficiary and keep the beneficiary and joint annuitant information current.

Definitions

A beneficiary is the joint annuitant or other person, organization, estate, or trust designated by the member to receive the benefits, if any, which may be payable in the event of the member's death or the death of another beneficiary.

For purposes of the FRS Pension Plan, a joint annuitant is a designated beneficiary who is eligible to receive a monthly retirement benefit upon the member's death. By law, to qualify as a joint annuitant, the beneficiary must be:

- The member's spouse;
- The member's natural or legally adopted child who is under age 25 at the time of the member's death, or who is physically or mentally disabled and incapable of self support;
- The member's parent or grandparent who was financially dependent upon the member at the time of death for at least one-half of financial support; or
- Anyone for whom the member, at the time of death, was the legal guardian and for whom the member was providing at least one-half of financial support.

NOTE: Upon the member's death, a joint annuitant who is under age 25 and is not a spouse will receive the amount of the member's Option 1 benefit until the joint annuitant reaches age 25, unless disabled and incapable of self-support, in which case benefits will continue for the duration of the disability.

STATUTORY REFERENCE:

Section 121.021(28) and (46), Florida Statutes

FRS RULE REFERENCE:

Sections 60S-4.011 and 6.001(9) and (34), Florida Administrative Code

Active Members:

Naming or Changing a Beneficiary

To designate one or more beneficiaries or change the beneficiary designation, an active member of the FRS Pension Plan must complete [Form BEN-001](#), Beneficiary Designation Form, and return it to the division. Active members can also change their beneficiaries online at frs.fl.gov. (See Chapter 1, Part VI, for further information on beneficiary designation.)

Automatic Designation of Spouse as Beneficiary

Since January 1, 1999, the current spouse of an FRS Pension Plan member who dies before retirement is automatically the member's beneficiary, regardless of the person previously named by the member, unless the member designates a different beneficiary after the member's most recent marriage. As of July 1, 2005, a parallel provision applies in the case of FRS Investment Plan members who die before retirement (see Chapter 9, Part XV, for details).

Retired Members

Changing a Beneficiary Designation

Option 1 or 2 Benefit – A Pension Plan retiree (or a DROP participant) who selected benefit Option 1 or 2 may change beneficiary designations at any time by completing and returning [Form FST-12](#), Beneficiary Designation for Retired Members (see Chapter 9, Part VIII, for more on beneficiary designation).

Pension Plan members may also name contingent beneficiaries to receive remaining benefits under Option 2 if the both the member and the primary beneficiary die within 120 months of the member's effective retirement date (see Page 11-14).

Changing a Joint Annuitant Designation

Option 3 or 4 Benefit – A Pension Plan retiree (including a DROP participant) who selected benefit Option 3 or 4 may change the designation of the joint annuitant only two times after commencement of retirement or DROP. An Option 3 or 4 beneficiary must be someone who qualifies as a joint annuitant (see Page 11-3).

To change a joint annuitant designation, contact the Division of Retirement, and furnish the date of birth of the proposed new joint annuitant. You may call the division toll-free at 844-377-1888 or 850-907-6500.

The retiree's monthly benefit will be recalculated based on the retiree's current age, the age of the proposed new joint annuitant, and whether or not the existing joint annuitant is living. The projected benefit amount will be provided to the retiree. If the retiree accepts the projected monthly benefit amount (usually lower) and wishes to proceed, the retiree would then submit Form JA-1, Change of Joint Annuitant Form. The retiree must also submit verification of the joint annuitant's age and proof that the person qualifies as a joint annuitant (either a marriage certificate or the most recent federal income tax return). The change of designation will take effect on the first day of the month after the division receives Form JA-1 and other required documents, if the retiree is alive on that date. If either the retiree or proposed joint annuitant dies before that date, the request for a change will be voided, and survivor benefits, if any, will be paid as if no request had been made.

Nullifying a Joint Annuitant Designation

A Pension Plan retiree who is divorced from the retiree's joint annuitant may nullify the joint annuitant designation (unless a QDRO prevents such action). To do this, the retiree must submit to the division Form JA-NUL, Joint Annuitant Nullification Form, and a copy of the divorce papers. The nullification takes effect on the first day of the month after the division receives Form JA-NUL and divorce papers. Benefits are paid as if the former spouse predeceased the retiree. If the member retired under Option 4, the monthly benefit is reduced by one-third as of the effective date of the nullification. Any retiree who makes this election may not reverse the nullification, but may later designate a new joint annuitant (requiring recalculation of the retirement benefit).

STATUTORY REFERENCE:

Sections 121.091(6), (7), and (8) and 121.4501(20), Florida Statutes

FRS RULE REFERENCE:

Section 60S-4.010, Florida Administrative Code

II. SURVIVOR BENEFITS FOR ACTIVE MEMBERS

To Claim a Survivor Benefit

To apply for a survivor benefit, the beneficiary of a deceased active member of the FRS Pension Plan should:

1. Notify the Division of Retirement of the member's death. You may call the division toll-free at 844-377-1888 or 850-907-6500.
2. Submit all required documents to the division.

A. REGULAR DEATH BENEFITS

Upon becoming vested, active members of the FRS Pension Plan are covered under Part I of Chapter 121, Florida Statutes, for death not associated with their employment. Members of the FRS Investment Plan are not eligible for regular death benefits under Part I of Chapter 121, Florida Statutes.³ Except as described in Part III (see Page 11-14), participants of the Deferred Retirement Option Program (DROP) are also ineligible for such benefits.

1. Nonvested Members

If death occurs other than in line of duty before the member has vested, the member's beneficiary is entitled to receive only a refund of any retirement contributions the employee paid into the system. If the member has purchased optional service credit, such as a credit for a leave of absence or for prior service, the beneficiary is also entitled to receive a refund of those contributions.

Death Notice Required

Even if it is believed that a nonvested member has no employee contributions on deposit, the member's death should still be reported⁴ to the Division of Retirement because our review of the member's account may discover previous service with another FRS employer. You may call the division toll-free at 844-377-1888 or 850-907-6500. If the member has employee contributions on deposit, the division will request the following documents from the beneficiary:

- Form FST-11g (Application of Beneficiary for Refund)
- Copy of death certificate

³ Survivor benefits under the FRS Investment Plan for deaths other than in the line of duty differ substantially from survivor benefits available under the FRS Pension Plan. The division is not responsible for non-duty survivor benefits afforded under the Investment Plan. Questions on this topic should be directed to Alight Solutions, the third party administrator for the FRS Investment Plan, at 866-446-9377.

⁴ See Page 11-2 for death notice information relevant to FRS Investment Plan participants.

Death within One Year of Vesting

Beginning July 1, 1998, joint annuitants of active members who die within one year of vesting, and whose termination of employment was due to death, are eligible under Florida law to buy additional service credit in order to vest these members and qualify for retirement benefits. The additional credit may include any or a combination of the following types of service credit:

- **Annual, sick, and compensatory leave.**—The joint annuitant may buy credit based upon the deceased member's accumulated hours of annual, sick, and compensatory leave, on an hour-for-hour basis, for each month of service credit needed. For each month before the final month in which the deceased member would have vested, credit for the total number of work hours in that month must be purchased (i.e., the salary on which the service is based must be the salary earned in a complete month). Service credit required for the final month will be awarded based upon the purchase of one hour of service credit. For each month of service credit, the cost will be calculated by multiplying the applicable contribution rate⁵ by the member's monthly salary at the time of death, plus 6.5 percent interest, compounded annually on June 30 to the date of payment. The employing agency must submit to the division verification of the leave accumulated at the time of the member's death.

NOTE: Hours of leave purchased as creditable service under this special provision will not be included in any accumulated lump sum leave payment included in the member's average final compensation (AFC).

- **In-state and out-of-state service.**—The joint annuitant may buy credit for any periods of in-state or out-of-state service that the deceased member would have been eligible to purchase before the member's death. The joint annuitant may purchase additional months of creditable service for any periods of in-state and out-of-state service the deceased member could have purchased prior to the member's death. The cost and method for claiming this service is described in Chapter 7, Part III, section E.

The joint annuitant will begin to receive retirement benefits once the additional creditable service has been purchased, the month the member would have vested has passed, and the division has received Form FST-11b, Application of Beneficiary for Retirement Benefits, and all supporting documents.

STATUTORY REFERENCE:

Section 121.091(7), Florida Statutes

FRS RULE REFERENCE:

Sections 60S-2.010(5), 3.012(3), and 4.008, Florida Administrative Code

⁵ The contribution rate is the rate in effect for the deceased member's class of membership during the period being claimed.

2. **Vested Members**

If the death of a vested member occurs other than in the line of duty, and the beneficiary qualifies as a joint annuitant, the beneficiary may choose either a refund of member paid contributions or the Option 3 monthly benefit. The Option 3 benefit will be calculated as though the member terminated employment as of the date of death with retirement effective the following month. If employment was terminated by death and the member had not reached normal retirement age but had at least 20 years of creditable service if initially enrolled before July 1, 2011, or had at least 23 years of creditable service if initially enrolled on or after July 1, 2011, special benefit calculation provisions may apply. In that case, the early retirement reduction factor will be applied from the date the member would have attained 30 years or 33 years of service if the member had survived and continued employment (rather than from the date the member would have reached normal retirement age) if this calculation method would provide a higher benefit. The joint annuitant may also defer receipt of the benefit to a date when the member would have been closer to normal retirement age.

The monthly benefit paid to a joint annuitant who is under age 25 and is not the spouse of the deceased member will be the member's Option 1 benefit amount. The benefit will stop when the joint annuitant reaches age 25, unless the joint annuitant is disabled and incapable of self-support, in which case the benefit will continue for the duration of the disability.

If the designated beneficiary does not qualify as a joint annuitant, the designated beneficiary is entitled to a refund of member paid contributions not a monthly benefit.

Death Notice Required

The Division of Retirement should be immediately notified when a vested member dies. You may call the division toll-free at 844-377-1888 or 850-907-6500.

The following documents should be submitted to claim the Option 3 monthly benefit if the beneficiary qualifies as a joint annuitant:

- Copy of death certificate
- Birth verification for member and joint annuitant
- Completed Form FST-11b, Application of Beneficiary for Retirement Benefits
- Salary certification for the last four months

STATUTORY REFERENCE:

Section 121.091(3)(b) and (7), Florida Statutes

FRS RULE REFERENCE:

Section 60S-4.005(2)(c) and 4.008, Florida Administrative Code

B. PENSION PLAN AND INVESTMENT PLAN IN-LINE-OF-DUTY DEATH BENEFITS

Under Part I of Chapter 121, Florida Statutes, all active members of the FRS Pension Plan are covered from their first day of employment for survivor benefits provided for deaths occurring in the line of duty (ILOD). Participants of the Deferred Retirement Option Program are not eligible for the death benefits described in this section. The ILOD death benefits for Investment Plan members under Part II of Chapter 121, Florida Statutes, are also covered in this section.

The spouse or dependent children of FRS Investment Plan members in the Special Risk Class who are killed in the line of duty on or after July 1, 2002, have the following benefit eligibility:

- If the Investment Plan Special Risk Class member's ILOD death occurred on or after July 1, 2016, the member's Investment Plan account balance must be transferred to the Pension Plan for the surviving spouse or dependent children to receive a monthly retirement benefit.
- If the Investment Plan Special Risk Class member's ILOD death occurred between July 1, 2013 and June 30, 2016, the benefit paid to the surviving spouse or dependent children is actuarially adjusted if the member's account balance was paid out to the spouse or on behalf of the dependent children for benefit payments beginning on or after July 1, 2016
- If the Investment Plan member's ILOD death occurred between July 1, 2002, and June 30, 2013, the benefit paid to the surviving spouse or dependent children is actuarially adjusted if the member's account was paid to the spouse or on behalf of the dependent children for benefit payments beginning on or after July 1, 2017.
- See Page 11-9 for details on the ILOD death benefits for Special Risk Class members.

Effective July 1, 2017, ILOD survivor benefits were created for Investment Plan members in classes other than the Special Risk Class if the member is killed in the line of duty on or after July 1, 2002.

- If the Investment Plan member's ILOD death occurred on or after July 1, 2017, the member's Investment Plan account balance must be transferred to the Pension Plan to receive a monthly retirement benefit.
- If the Investment Plan member's ILOD death occurred between July 1, 2002, and June 30, 2017, the benefit paid to the surviving spouse or dependent children is actuarially adjusted if the member's account was paid to the spouse or on behalf of the dependent children for benefit payments beginning on or after July 1, 2017.
- The monthly benefit is 50 percent of the member's base salary payable for the lifetime of the surviving spouse or until the youngest dependent child turns 18.

What is In-Line-of-Duty Death?

A death in the line of duty is a death that arises out of and in the actual performance of duty required by a member's employment during regularly scheduled working hours or irregular working hours, as required by the employer. The division will require sufficient documentation to determine whether a death meets these criteria.

ILOD Death Benefit for the Pension Plan in Classes Other Than the Special Risk Class

The ILOD death benefit is a lifetime monthly benefit equal to one-half of the member's monthly salary at the time of death, excluding overtime and lump sum payments⁶.

- **Spouse** - If a spouse survives the member, the spouse is automatically eligible for the monthly ILOD death benefit regardless of the member's beneficiary designation. The ILOD death benefit is payable for the lifetime of the spouse. Upon the death of the spouse, the monthly benefit would continue on behalf of any unmarried children of the member under the age of 18 until the 18th birthday of the member's youngest child.

If the spouse is also the designated beneficiary and the member was vested, the spouse would have a choice of taking the ILOD death benefit or the Option 3 benefit that would have been payable if the member had retired as of the member's date of death. However, the Option 3 benefit ceases upon the death of the spouse even if there are still minor children.

- **Children** - If no spouse survives the member or the spouse chooses to waive the right to the spousal benefit, the ILOD death benefit is payable on behalf of any of the member's unmarried children who are under the age of 18 until the 18th birthday of the member's youngest child.

If the vested member's designated beneficiary or beneficiaries is/are a child or children who qualify as joint annuitants, an Option 3 benefit payable as an Option 1 amount could be selected instead of the ILOD death benefit if it would provide a greater payout (see Page 11-14 for a description of Option 3 benefits).

ILOD Death Benefit for Special Risk Class Members effective July 1, 2017

Effective July 1, 2017, the ILOD death benefit for a Special Risk Class member in either the FRS Pension Plan or the FRS Investment Plan killed in the line of duty on or after July 1, 2002, is a lifetime monthly benefit payable to the member's spouse equal to 100 percent of the member's monthly salary at the time of death, excluding overtime and lump sum payments. If the member has a child or children at the time of their death, but are not married, or the spouse dies later, the benefit will be paid on behalf of the member's unmarried children until the youngest child reaches age 18. Monthly benefits may be extended until age 25 if the child is unmarried and enrolled as a full-time student.

⁶ In almost all cases, this threshold benefit is higher than the Option 3 benefit described under "Spouse".

ILOD Death Benefit for Investment Plan Members

The right of a surviving spouse or dependent children to receive ILOD death benefits supersedes any other beneficiary designation made by the member.

Investment Plan members in the Special Risk Class have the following ILOD survivor benefit eligibility:

- If the member's ILOD death occurred on or after July 1, 2016, the member's Investment Plan account balance must be transferred to the Pension Plan for the surviving spouse or dependent children to receive a monthly retirement benefit.
- If the member's ILOD death occurred between July 1, 2013 and June 30, 2016, the benefit paid to the surviving spouse or dependent children is actuarially adjusted if the member's account balance was paid out to the spouse or on behalf of the dependent children for benefit payments beginning on or after July 1, 2016.
- If the member's ILOD death occurred between July 1, 2002, and June 30, 2013, the benefit paid to the surviving spouse or dependent children is actuarially adjusted if the member's account was paid to the spouse or on behalf of the dependent children for benefit payments beginning on or after July 1, 2017.
- See Page 11-9 for details on the ILOD death benefits for Special Risk Class members.

Investment Plan members in classes other than the Special Risk Class have ILOD survivor benefits effective July 1, 2017. The monthly benefit is 50 percent of the member's base salary payable for the lifetime of the surviving spouse or until the youngest dependent child turns 18. If the member's ILOD death was on or after July 1, 2002, the following benefits are payable:

- If the member's ILOD death occurs on or after July 1, 2017, the member's Investment Plan account balance must be transferred to the Pension Plan for the surviving spouse or dependent children to receive a monthly retirement benefit.
- If the member's ILOD death occurs between July 1, 2002, and June 30, 2017, the benefit paid to the surviving spouse or dependent children is actuarially adjusted if the member's account was paid to the spouse or on behalf of the dependent children for benefit payments beginning on or after July 1, 2017.

Taxability of Benefits

For information on the taxability of in-line-of-duty survivor benefits, please see Chapter 12, Part VI.

STATUTORY REFERENCE:

Section 121.091(7), Florida Statutes

FRS RULE REFERENCE:

Section 60S-4.008, Florida Administrative Code

Certain Deaths Are Presumed In-Line-of-Duty

Certain causes of death for state or local firefighters, emergency medical technicians, paramedics, law enforcement officers, correctional officers, or correctional probation officers are “presumed” by law to have been suffered in the line of duty, unless competent evidence proves otherwise. The presumptions are listed below for the eligible positions, with other requirements. Required documentation should be submitted to the division at the time the beneficiary applies for presumed ILOD death benefits.

Presumption regarding Cancer (s. 112.1816)

For firefighters, death is presumed to have been suffered in the line of duty if the member dies as a result of one of the designated 21 types of cancers specified in section 112.1816, Florida Statutes. The firefighter is provided in line of duty death benefits if the death is a result of a specified cancer or the circumstances arising out of the treatment of cancer. The effective date of retirement must be on or after July 1, 2019.

The employers must provide verification of the firefighter’s full-time status and certify they meet the definition of employer for cancer presumption.

Presumption regarding TB, Heart Disease, Hypertension (s. 112.18)

For firefighters, law enforcement officers, correctional officers, and correctional probation officers, death is presumed to have been suffered in the line of duty if the member dies as a result of a condition or impairment of health due to tuberculosis, heart disease, or hypertension. To qualify for this presumption, a firefighter or law enforcement officer must have successfully passed a pre-employment physical examination, which failed to reveal any evidence of any such condition. (Correctional officers and correctional probation officers are not subject to the pre-employment physical examination requirement.)

Presumption regarding Hepatitis, Meningococcal Meningitis, or TB (s. 112.181)

If an emergency rescue or public safety worker — firefighter, paramedic, emergency medical technician, law enforcement officer, or correctional officer — suffers a condition or impairment of health due to hepatitis, meningococcal meningitis, or tuberculosis and dies on or after January 1, 1996, the presumption that the death was suffered in the line of duty may apply. To qualify for the presumption, the employee must have met the following requirements:

- The employee must have successfully passed, prior to diagnosis, a physical examination (except for meningococcal meningitis), which failed to reveal any evidence of such communicable disease.
- If available, the employee must have received a standard medically recognized vaccine, immunization, or prophylaxis for the prevention of the communicable disease (unless the employee was advised by a doctor in writing that the immunization or prophylaxis would pose a significant health risk).
- The employee must have filed an incident or accident report with the employer for each known or suspected exposure to such diseases.

NOTE: Failure to submit required documents will nullify the presumption of ILOD death.

Employer Requirements (s. 112.181)

The employer must meet the following requirements:

- The employer must have maintained a record of any known or suspected exposure of an employee to a communicable disease and must have immediately notified the employee of any exposure.
- The employer is responsible for notifying employees that vaccines are available (employees are responsible for actually getting the immunizations and boosters). To monitor existing and future vaccines or immunizations, employers should request that their local county health departments add them to their mailing list for Individual Topics Notifications produced by the Advisory Committee on Immunization Practices of the U.S. Public Health Service.

Death Notice Required

The Division of Retirement should be immediately notified when a member dies. You may call the division toll-free at 844-377-1888 or 850-907-6500. To claim in-line-of-duty survivor benefits, the following documents should be submitted to the division, as applicable:

- Copy of death certificate
- Birth date verification of the member
- Copy of marriage certificate
- Copy of the Accident Report or Homicide Report
- Completed Form FST-11b, Application of Beneficiary for Retirement Benefits
- Copy of Notice of Injury from the Division of Workers' Compensation of the Department of Financial Services
- Copy of Final Determination from the Division of Workers' Compensation of the Department of Financial Services
- Statement from the member's supervisor describing the incident and stating the member's duties and working hours
- Salary certification for the last four months
- Copy of the autopsy report if an autopsy was performed

STATUTORY REFERENCE:

Sections 112.18 and 112.181, Florida Statutes

FRS RULE REFERENCE:

Section 60S-4.008, Florida Administrative Code

C. DEATH AFTER EFFECTIVE DATE OF PENSION PLAN RETIREMENT

If a member of the FRS Pension Plan applies for retirement and dies after the effective date of retirement, but before a retirement benefit payment is cashed or deposited, benefits will be payable according to the option selected, with the following important exceptions:

Service Retirement

If the member applied for service retirement and the member's beneficiary qualifies as a joint annuitant (see Page 11-3), continuing benefits would be paid under Option 3 regardless of the benefit payment chosen by the member (except that, if the member selected Option 2, the joint annuitant may keep Option 2 or choose Option 3). The effective date of the Option 3 benefit would be the first of the month following the member's death unless the member chose Option 3 or the joint annuitant chooses to retain Option 2, in which case the member's effective date of retirement would be retained. The joint annuitant could alternatively choose to defer the Option 3 benefit until a later date, or to obtain a refund of any employee contributions that may be on deposit. If the deceased member's beneficiary does not qualify as a joint annuitant, benefits would be paid according to the option selected by the member. If no option was selected, benefits are paid as provided under Option 1. (See Page 11-14 for discussion of benefit payment options.)

Disability Retirement

If the member was approved for disability retirement⁷ and the member's beneficiary qualifies as a joint annuitant, the beneficiary may choose to receive benefits under one of the following benefit options:

- An Option 3 disability retirement benefit with the established effective date of retirement, or if the member selected Option 2, the joint annuitant may keep Option 2; or
- An Option 3 service retirement benefit, effective the month following the member's death.

NOTE: The joint annuitant will not be eligible for the application of the early retirement reduction factor from 30 years of service rather than from normal retirement age (see Page 11-7), because the member's employment was terminated prior to death.

If the beneficiary does not qualify as a joint annuitant, benefits are paid according to the option selected. If no option was selected, benefits are payable under Option 1.

STATUTORY REFERENCE:

Section 121.091(4)(a) and (7)(c), Florida Statutes

FRS RULE REFERENCE:

Sections 60S-4.007(1) and (2), 4.008(3), and 4.010, Florida Administrative Code

⁷ To qualify for disability retirement, the member must meet special vesting requirements and meet other eligibility requirements (see Chapter 10, Part I, for discussion of regular and in-line-of-duty disability benefits).

III. SURVIVOR BENEFITS FOR RETIRED PENSION PLAN MEMBERS

Option Choice and Eligibility

Under the FRS Pension Plan, survivor benefits payable to a beneficiary or beneficiaries upon a retired member's death are based on the retirement option selected by the member when the member retired. The option selection cannot be changed once a retirement benefit has been cashed or deposited.

Benefit Payment Options

Option 1 provides the basic benefit, affording the retiree the maximum monthly benefit the retiree is eligible to receive for the retiree's lifetime only. Options 2, 3, and 4 are designed to provide a continuing benefit to a beneficiary or joint annuitant in varying amounts depending on the option chosen. These options are reductions of the Option 1 benefit and are derived from it by applying equivalency factors. All benefit options are designed to be "actuarially equivalent" — i.e., the expected total payments to both the retiree and the retiree's beneficiary or joint annuitant under Options 2, 3, or 4 are about the same as the total payments the retiree alone would be expected to receive under Option 1.

Under Options 1 and 2, members may name any person, organization, trust, or the member's estate as the beneficiary and may designate more than one beneficiary (listed sequentially or jointly). Under Options 3 and 4, the beneficiary must be the spouse or other financial dependent who qualifies as a joint annuitant. Under Option 3, the member may designate multiple joint annuitants and specify the portion of the benefit to be paid to each.

Option 1

When the retired member dies, the monthly benefit will stop and the beneficiary or beneficiaries will receive only a refund of member paid contributions in excess of the amount the member received in benefits.

Option 2

If the retired member dies more than ten years after the effective retirement date, no continuing benefit will be paid to a beneficiary. If, however, the retired member dies within ten years of the effective retirement date, the member's designated primary beneficiary or beneficiaries will receive the same monthly benefit as the member was receiving for the balance of the ten year period. (The member may also name contingent beneficiaries to receive any benefit to be paid upon the death of the primary beneficiary or beneficiaries.) After benefits have been paid for ten years, the benefit payments will then stop.

Option 3

Upon the death of the member, the joint annuitant, if living, will receive a lifetime benefit in the same amount as the member. No further benefits are payable after both the member and the joint annuitant are deceased. (Note: The benefit paid to a joint annuitant under age 25, who is not the member's spouse, will be the member's Option 1 benefit amount. The benefit will stop when the joint annuitant reaches age 25, unless the joint annuitant is disabled and incapable of self-support, in which case the Option 1 benefit will continue for the duration of the disability.)

Option 4

Upon the death of either the member or the joint annuitant, the survivor will receive a lifetime benefit equal to two-thirds of the monthly benefit paid while both were alive. No further benefits are payable after both the member and the joint annuitant are deceased. (Note: The benefit paid to a joint annuitant under age 25, who is not the member's spouse, will be the member's Option 1 benefit amount. The benefit will stop when the joint annuitant reaches age 25, unless disabled and incapable of self-support, in which case the benefit will continue for the duration of the disability.)

NOTE: The Option 4 reduction also applies when both the husband and wife are FRS members and both select Option 4. In that event, both benefits will be reduced when either spouse dies.

Death Notice Required

The Division of Retirement should be notified immediately when a retiree, Option 4 joint annuitant, or other payee of the FRS Pension Plan⁸ dies. You may call the division toll-free at 844-377-1888 or 850-907-6500. A death may also be reported online at frs.fl.gov.

The mailing address is as follows:

**DIVISION OF RETIREMENT
P.O. Box 9000
TALLAHASSEE FL 32315-9000**

The Division of Retirement may request the following documents:

- Copy of death certificate
- Completed Form FST-11b, Application of Beneficiary for Retirement Benefits

STATUTORY REFERENCE:

Section 121.091(6) and (8), Florida Statutes

FRS RULE REFERENCE:

Sections 60S-4.008, 4.010 and 4.011, Florida Administrative Code

⁸ See Page 11-2 for information on death notification for a member of the FRS Investment Plan.

IV. COST-OF-LIVING INCREASE

Each July that monthly survivor benefits are received under the FRS Pension Plan, beneficiaries will receive a cost-of-living adjustment (COLA). The COLA is included in the July benefit payable at the end of July. The first COLA after the member's date of retirement will be prorated⁹ if benefits have not been paid for 12 calendar months as of June.

Retirees or surviving beneficiaries with an effective retirement date before August 1, 2011, or retirements effective after this date when all service credit occurred before July 1, 2011, receive a 3 percent COLA⁹ each July. Retirements effective August 1, 2011, or after with service credit earned in July 2011 or after, have an individual COLA that is a reduction from 3 percent. The formula is years of service through June 30, 2011, divided by total service credit at retirement times 3 percent. For example:

$$28.25 \text{ years} \div 31.50 \times 3 \text{ percent} = 2.69 \text{ percent}$$

The retiree in the example above would have a COLA of 2.69 percent. If the retiree chose Option 2, 3 or 4 and monthly benefits become payable to the beneficiary, the beneficiary's benefit would also be increased by 2.69 percent each July.

STATUTORY REFERENCE:

Section 121.101, Florida Statutes

FRS RULE REFERENCE:

Section 60S-4.010, Florida Administrative Code

⁹ Beginning the first July 1 after retirement, the benefit is multiplied by a COLA percentage equal to the number of months the member has been receiving a benefit, divided by 12, and times the annual COLA percentage. If the member elected benefit payment Option 4, at death, the initial benefit is first adjusted in accordance with the provisions of this option, and the COLA amount is based on the adjusted benefit.

V. HEALTH INSURANCE SUBSIDY (HIS)

If an eligible beneficiary of the FRS Pension or Investment Plan has qualifying health insurance coverage¹⁰, the beneficiary may apply for a health insurance subsidy to help pay the cost of this insurance. Eligible retirees¹¹ or beneficiaries will receive an extra \$5 per month for each year of service credit at retirement. Effective July 1, 2001, the payments are at least \$30, but no more than \$150, per month.

Eligibility for HIS Payments

To qualify for the monthly HIS payment, the recipient must be a person who is retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system. If the member retired from the FRS Pension Plan, the surviving beneficiary must be receiving a monthly benefit as the recipient's spouse or other joint annuitant. If the member retired from the Investment Plan¹², the member must qualify for normal retirement under the Pension Plan to be eligible for a HIS payment. The member's spouse at the time of death would be the HIS beneficiary unless the member designated a different beneficiary after the member's most recent marriage. (See Chapter 12, Part II, for more on the health insurance subsidy.)

STATUTORY REFERENCE:

Section 112.363, Florida Statutes

FRS RULE REFERENCE:

Section 60S-4.020, Florida Administrative Code

¹⁰ If health insurance coverage is provided through a private policy, Medicare or TRICARE, a spouse's policy, or through another state government, the coverage qualifies as health insurance coverage under the program. Health insurance coverage under section 110.1232, Florida Statutes, for persons retired from state-administered retirement systems before January 1, 1976, or for their spouses not covered by social security, does not qualify.

¹¹ Pension recipients under sections 121.40, 238.07(16)(a), and 250.22, Florida Statutes, or retirees under any other special pension or relief act, are not eligible for these payments. Participants of the Senior Management Service Optional Annuity Program, the State University System Optional Retirement Program, or the Community College Optional Retirement Program are also ineligible.

¹² To qualify for HIS benefits, FRS Investment Plan members must meet the age or service requirements to qualify for normal retirement under the FRS Pension Plan. HIS service credit is awarded for all service for which HIS contributions have been made as required by law, including creditable service retained under the FRS Pension Plan.

